


<p style="text-align: center;"><b>MISSOURI DEPARTMENT OF TRANSPORTATION</b></p>  <p style="text-align: center;"><b>PERSONNEL POLICY MANUAL</b></p>	<b>Chapter Title</b> Subsistence		
	<b>Policy Title</b> Relocation Assistance		
	<b>Policy Number</b> 2000	<b>Page</b> 1 of 7	<b>Effective Date</b> May 15, 2021
<b>Approved By</b> Steve Meystrik, Human Resources Director, Signature on File	<b>Supersedes Policy Number</b> 2000	<b>Page</b> 1 of 13	<b>Prior Effective Date</b> January 1, 2020

## **POLICY STATEMENT**

The department will reimburse eligible expenses as authorized by this policy. MoDOT will support employees' flexibility to move within the organization while fulfilling its desire to be the best steward of its financial and human resources.

## **DEFINITIONS**

**Closing Costs:** These are costs associated with employees selling their current home and with buying a home at the new location, which are typically shown on a standard Settlement Statement (also called Closing Disclosure) under the main headings of "Loan Costs" and "Other Costs." Some of these usual costs include deed preparation and recording fees, credit report fee, appraisal fee, survey fee, abstract fee or title insurance, application fee, processing fee, inspection fees, and flood determination letter fees. Closing costs do not include loan origination fees, discount fees, home warranty costs, or broker administration service fees. The department will not reimburse closing costs employees agree to pay that should typically be the responsibility of the other party.

**Delayed Transfer:** Employees are eligible for financial reimbursement of temporary living expenses if required to relocate to a new work location.

**Dual Housing:** When employees are obligated to pay two mortgages simultaneously on two homes they own, one at the old location and one at the new location.

**Internal Revenue Service (IRS) 50-Mile Rule:** The distance between an employee's former residence and the new work location must be at least 50 miles farther than the distance between the employee's former residence and old work location. The distance

between an employee's residence and work location is the shortest of the more commonly traveled routes between them.

Lateral Transfer: The movement of an employee between jobs in the same salary grade, through an appointment or selection process.

Promotion: The movement of an employee to a higher salary grade job through an appointment or selection process.

Loan Origination Fee: The fee paid to the company originating the loan to cover costs associated with creating, processing, and closing the mortgage.

## **PROCEDURES**

### **SECTION I – Eligibility**

1. An employee will be eligible for relocation assistance when the employee is promoted to a position or laterally transferred, and relocation is required by the department. Relocation assistance must be approved by the district engineer or division leader/state engineer after consultation with the Central Office – Human Resources Division before services and reimbursements will be provided.
2. To be eligible for a department-approved paid relocation, the move must meet the criteria of the IRS 50-mile rule.
3. The local human resources manager (districts and Central Office) is responsible for notifying the Central Office – Human Resources Division of employees potentially eligible for relocation benefits, prior to making the offer, to determine eligibility.
4. When an employee's work location is changed as the result of a relocation (lateral or demotion) initiated by the employee for personal reasons and granted by the department to accommodate the employee's request, the employee is not eligible for paid relocation benefits associated with the relocation. Relocations made necessary by disciplinary action are also not eligible for relocation benefits.
5. Employees must be given a copy of MoDOT Personnel Policy 2000, if relocation may be required.
6. When relocation is required, the employee's effective date of promotion or lateral transfer will establish their relocation start date. Employees will have 12 months from this date to utilize relocation benefits outlined in this policy.
7. An employee's relocation will be considered complete when either of the following conditions is met:
  - A. 12 months have passed since their relocation start date; or

- B. When the amount of the reimbursements made to them by the department are equal to 10 percent of their new annual salary in cases of promotion, or their annual salary in effect at the time of the lateral transfer.

Once an employee's relocation is complete, the employee will no longer be able to utilize the relocation benefits outlined in this policy.

#### SECTION II-Relocation Expenses Eligible for Reimbursement

8. Employees are eligible to receive reimbursement of no more than 10 percent of their new annual salary in cases of promotion or their annual salary in effect at the time of the lateral transfer for the following relocation expenses:
- realtor fees;
  - closing costs;
  - loan origination fees;
  - movement and storage of household goods;
  - delayed transfer;
  - dual housing; and
  - advance trips.
9. All payments by the department for employee relocation expenses will be on a reimbursement basis. Lodging will be reimbursed per guidelines in Financial Policy and Procedures Manual, Travel Policy unless paid directly by the department. Employees should submit a FS-MoDOT Expense Report for eligible expenses, attaching any necessary receipts.
10. Expenses connected with the relocation will be charged to the location to which the employee is being transferred. Expenses should be coded to object code 2943 and include the employee's assigned job/move number provided by Central Office-Human Resources.
11. Relocation expenses must be submitted for reimbursement by the employee within 60 calendar days of being billed. Failure to submit expenses within 60 days may result in denial of reimbursement.

#### SECTION III – Tax Implications

12. Relocation expenses are taxable and will be reported as income on the employee's W-2 (Wage and Tax Statement). Employees should consult with a tax advisor regarding relocation reimbursements and the tax liability they may have on the reimbursements they receive.

#### SECTION IV – Delayed Transfer

13. Employees who are required to relocate to a new location are eligible for reimbursement of temporary living expenses. Lodging is the most typical expense and all expenses must conform to the Financial Policy and Procedures Manual, Travel Policy.
14. Employees may be authorized or directed by a district/division to temporarily live in an apartment in lieu of a hotel/motel, provided the cost of the apartment and utilities does not exceed those of a reasonably priced hotel/motel at the same location. The employee will be responsible for signing any lease associated with the temporary housing.

#### SECTION V – Dual Housing

15. Reimbursement will be made for the lesser mortgage payment, excluding any Private Mortgage Insurance (PMI) or escrow payments, for either the new or old home.
16. For an employee to be eligible to receive dual housing reimbursement, he/she must meet all three of the following requirements:
  - A. Purchase a home at the new location before selling the old home,
  - B. Declared intent to sell the old home and be actively engaged to sell the old home, and
  - C. Not be renting or leasing out the old home to another party.
17. The department can request information from employees to ensure a good faith effort is being made to sell the old home.

#### SECTION VI – Moving and Storage of Household Goods

18. Employees will be allowed the actual cost of one move of household goods and personal possessions to the new location.
19. The employee will be reimbursed for expenses to move their household goods, including the use of a moving van, personal vehicles, or moving company. If a moving company is utilized, the moving company must be bonded and have active common carrier authority from MoDOT Motor Carrier Services Division; however, the move is not governed by MoDOT Motor Carrier Services Division rate requirements.

#### SECTION VII – Advance Trips and Paid Time Off

20. Employees will be allowed lodging, and transportation costs for advance trips to the new location to secure a new permanent residence. Please refer to Financial Policies and Procedures for additional information.

21. Employees will be allowed mileage, at the current fleet rate, for two round trips from the old residence to the new residence. The "Use of Privately Owned Vehicle Form" must be completed indicating reimbursement at current fleet rate and the form must be submitted with the applicable expense report.
22. Employees are allowed up to, but no more than, 40 hours of paid time off for relocation related needs. Time off must be approved by the immediate supervisor. Approved time off should be coded to activity code R824, Employee Benefits. If additional time off is needed, it will be charged to annual leave or compensatory time.

#### SECTION VIII – Engineering Graduates

A one-time stipend will be provided to recent engineering graduates who must relocate to begin full-time employment with the department. This stipend is offered to help offset the costs associated with moving.

The employee must complete the FS-Relocation Reimbursement Assistance Form. Please check with the Central Office – Human Resources Division for listing of college specific stipends.

#### SECTION IX – Repayment Provisions

23. Employees who are approved for relocation benefits will be required to sign the Form P-24, Relocation Repayment Agreement Form before receiving such benefits. Failure to sign the agreement form will result in a denial of relocation benefits.
24. Under the Relocation Repayment Agreement Form, the employee agrees to repay the department if the employee voluntarily or involuntarily terminates employment for any reason within twelve months from the effective date of the employee's promotion or lateral transfer. The Relocation Repayment Agreement Form will require repayment of the following expenses paid on the employee's behalf: realtor fees; closing costs; loan origination fees; delayed transfer; dual housing; and cost for movement and storage of household goods. The total repayment amount must be fully paid to the department no later than 30 days after the effective termination date of employment.
25. The immediate supervisor, upon being notified of a voluntary or involuntary termination, must immediately notify the local HR or support services representative to determine if repayment provisions will apply.
26. The employee, upon being notified that he/she owes money to the department under this policy, will be allowed a review period of no more than two business days to contest any or all of the repayment expense amounts owed. The department will provide the employee with documentation that supports the repayment expense

amounts owed by the employee to the department under this policy. The employee's review period of two business days will begin when the department provides the employee with the documentation outlined herein.

27. An employee may elect to make a personal payment to the department to repay all or a portion of the repayment amount owed the department instead of having money withheld from his/her remaining paychecks and/or remaining annual or compensatory leave balances. However, if the employee requests to pay by personal payment, the payment must be for the full amount owed and must be received by the department by the end of the two-day review period. If the personal payment is not for the full repayment amount owed, then the remaining amount owed will be withheld from the employee's remaining paychecks and/or remaining annual or compensatory leave balances.
28. If the full repayment amount owed is still not recovered by means of salary withholding and/or remaining leave balance withholding, the department may establish a payment plan with the employee for the remaining amount owed.
29. If a payment plan is not entered into, or should an employee fail to comply with the established terms and conditions of the payment plan, the department may elect to pursue any or all lawful means to collect this debt owed to the department.
30. Any expenses inadvertently reimbursed to an employee in excess of the stated amounts allowed under this policy, unless otherwise previously authorized, may also be recovered from the employee by the department under the procedures outlined herein.
31. A copy of the completed and signed Form P-24, Relocation Repayment Agreement Form, should be forwarded to the local HR representative, local support service representative, and Central Office HR.
32. Financial Services Division will coordinate and handle the collection of employee repayment on behalf of the department.

### **CROSS REFERENCES**

[Financial Policy and Procedures Manual, Travel Policy](#)

### **FORMS**

[FS-MoDOT Expense Report](#)

[FS-Relocation Assistance Reimbursement Form](#)

[Form P-24, Relocation Repayment Agreement Form](#)

[FS- MoDOT Use of Privately-Owned Vehicle Form](#)